

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF BILZIN SUMBERG DUNN BAENA
PRICE & AXELROD LLP FOR THE ELEVENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Bilzin Sumberg Dunn Baena Price & Axelrod LLP for the Eleventh Interim Period.

BACKGROUND

1. Bilzin Sumberg Dunn Baena Price & Axelrod LLP ("Bilzin") was retained as counsel to the Official Committee of Asbestos Property Damage Claimants. In the Application, Bilzin seeks approval of fees totaling \$53,078.25 and costs totaling \$8,876.26 for its services from October 1, 2003, through December 31, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30,

1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Bilzen an initial report based on our review, and received a response from Bilzen, portions of which response are quoted herein.

DISCUSSION

3. We noted two entries by ASD on December 15, 2003, totaling 15.20 hours and \$3,800.00 which required greater explanation. The entries are provided below.

12/15/03	ASD	9.30	2,325.00	Work travel to W.R. Grace hearing preparing for hearing (6.3); attend hearing (3.0)
12/15/03	ASD	5.90	1,475.00	Return travel from hearing

We asked Bilzen to confirm that all non-working travel time was charged at 50% of normal rates, and to explain why the travel hours were so much greater for this date than for similar trips listed in the Application. Bilzen responded as follows:

The Report requests additional information regarding travel time for December 15, 2004. The Fee Auditor is correct that the time billed on that date is higher than the usual time necessary to travel to Pittsburgh, however, there were extenuating circumstances that caused the increase. As to the first entry, there were pilot delays that required the passengers to wait in the terminal until the pilots were available to fly. On the return trip, another significant delay occurred due to mechanical difficulties with the aircraft that kept the flight at the gate for several hours. Undersigned counsel has noticed that the return trip was inappropriately billed at the full rate. As the return flight was non-work travel, the \$1,475.00 should be reduced to \$737.50.

We accept this explanation and thus recommend a reduction of \$737.50 in expenses.

CONCLUSION

4. Thus, we recommend approval of fees totaling \$53,078.25 and costs totaling \$8,138.76 (\$8,876.26 minus \$737.50) for Bilzen's services from October 1, 2003, through December 31, 2003.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: _____



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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 24th day of May, 2004.



Warren H. Smith

SERVICE LIST

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